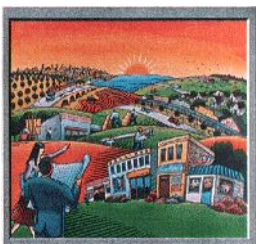


Empowerment Zone

Introduction

The Empowerment Zone (EZ) Program was created in 1994 as a federally funded, interagency effort to revitalize distressed and underserved urban and rural areas.

The community approach requires stakeholders to work together to develop and implement comprehensive strategic plans for revitalization.



The EZ uses a combination of Federal tax incentives and flexible grant funds to create business opportunities and create jobs within the EZ. It also focuses on activities that support people looking for work, such as job training, childcare and transportation.

The City of San Antonio has received the honor and designation of being among the few Urban Empowerment Zone (EZ) Communities selected in America. The San Antonio economy will benefit from the financial incentives offered to business owners, community residents and educational institutions. The significant opportunities that are offered can have an immeasurable impact on all community members.

SUMMARY OF INCENTIVES

Take advantage of wage credits, tax deductions, bonds and capital gains to stimulate economic development and job growth through 2009.

Learn how your business can benefit from the EZ :

TAX CREDIT OPPORTUNITIES

EZ Employment Credit

Businesses in the EZ can receive a credit from Federal taxes of up to \$3,000 for each existing employee and new person hired who lives and works within the EZ for each year of EZ designation.

Welfare to Work Credit

Businesses are eligible for a tax credit of up to \$8,500 per new hire, if the person is employed for at least two years. A new person hired must be a long term family assistance recipient.

Work Opportunity Credit

A credit of up to \$2,400 (for the first year of employment) against Federal taxes for businesses for each new person hired that is disadvantaged or from a group with traditionally high unemployment.

BOND FINANCING

EZ Facility Bonds

Low-interest bonds to assist businesses finance property, purchase equipment and develop business sites within the EZ communities.

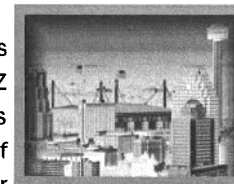
~Qualified Academy Zone Bonds

Bonds that allow state and local governments to provide no-interest loans with private funding sources to finance public school programs or renovations.

NEW MARKET TAX CREDITS

Capital Gains

A new incentive allows businesses within the EZ to delay capital gains taxes from the sale of certain assets held for more than one year.



**Partnering for
Community
Empowerment**

New Markets Credit

Equity investors in qualified Community Development Entities (CDEs) can obtain a tax credit against Federal taxes of five to six percent of the amount invested for each year of investment.

Low Income Housing Tax Credit

Investors in low-income housing projects who set aside a specified percentage of units for low-income persons for a minimum of 15 years can receive a 10-year tax credit against Federal taxes.

For More Information, Please Contact:

THE CITY OF SAN ANTONIO

QUESTIONS?

Call Marisol Amador

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at (210) 207-8124

E-Mail: marisola@sanantonio.gov

To Pre-Register for the Community Wide Workshop
or For More Information, Visit Us at:
www.sanantonio.gov/edd/empowersa.asp